

## Message Text

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ACTION EA-09

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FM AMEMBASSY TOKYO

TO SECSTATE WASHDC 2481

INFO AMEMBASSY MOSCOW

AMEMBASSY SEOUL

AMCONSUL HONG KONG

CINCPAC HONOLULU HI

USLO PEKING

C O N F I D E N T I A L SECTION 1 OF 2 TOKYO 14393

CINCPAC FOR POLAD

E.O. 11652: GDS

TAGS: PFOR, JA, KN

SUBJECT: FOREIGN OFFICE ASSESSMENT OF NORTH KOREAN POLICY  
DIRECTIONS

REF: TOKYO 14027

SUMMARY: FONOFF NE ASIA DIVDIR ENDO PROVIDED EMBOFF  
WITH COPY OF WORKING PAPER ON POSSIBLE TRENDS IN NORTH  
KOREAN POLICIES, PREPARED PRIOR TO RECENT WITHDRAWAL OF  
HOSTILE KOREAN RESOLUTION AT UN (REFTEL). FULL TEXT  
AND TRANSLATION BEING POUCHED TO DEPARTMENT; PRECIS  
FOLLOWS BELOW. PAPER SUGGESTS NORTH KOREAN PERCEPTIONS  
OF CURRENT SITUATION ARE OVERLY OPTIMISTIC. ALTHOUGH  
POSSIBILITY OF MAJOR ARMED CONFLICT CONTINUES, PROBABILITY  
REMAINS LOW FOR IMMEDIATE FUTURE. WITHIN THREE TO FIVE  
YEARS, HOWEVER, NORTH KOREA WILL BE FORCED BY ITS  
OWN ECONOMIC DIFFICULTIES, CONTINUED US AND GOJ SUPPORT  
FOR ROK, AND SUSTAINED ROK ECONOMIC GROWTH TO ADOPT  
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NEW POLICY. POSSIBILITY EXISTS PYONGYANG MAY AT THAT  
TIME ASSUME MORE FLEXIBLE AND LESS HOSTILE POSTURE.  
ENDO HAS SUBSEQUENTLY PROVIDED US WITH HIS ASSESSMENT OF  
WITHDRAWAL OF HOSTILE RESOLUTION, WHICH RAISES

CONJECTURE THAT NORTH KOREANS MAY ALREADY HAVE  
DECIDED TO ADOPT MORE FLEXIBLE TACTICS. DETAILS BY SEPTTEL.  
END SUMMARY.

1. BEGIN PRECIS.

NORTH KOREA - PRESENT AND FUTURE

AS REFLECTED BY NICKNAME "HERMIT KINGDOM," ACTUAL SITUATION IN  
NORTH KOREA IS NOT WELL KNOWN, EVEN IN COMPARISON WITH CHINA  
OR SOVIET UNION. RECOGNIZING THIS QUALIFICATION, THIS PAPER  
ATTEMPTS TO FORECAST FUTURE NORTH KOREAN MOVES.

2. NORTH KOREA'S PRESENT SITUATION

-THERE HAS BEEN MARKED IMPROVEMENT OF DPRK'S STATUS WITHIN  
INTERNATIONAL COMMUNITY IN RECENT YEARS, AS INDICATED  
BY SHARP INCREASE OF NATIONS RECOGNIZING DPRK SINCE 1972.  
DPRK HAS GAINED INCREASED SUPPORT AT BOTH UNGA AND MAN  
SUMMITS. THIS TREND WILL LIKELY CONTINUE, THOUGH PERHAPS  
NOT AS SMOOTHLY OR RAPIDLY AS BEFORE.

- IN DISTINCT CONTRAST, NORTH KOREA IS FACED WITH GRAVE  
ECONOMIC PROBLEMS. NON-FULFILLMENT OF DEBT OBLIGATIONS TO  
JAPAN AND VARIOUS EUROPEAN COUNTRIES IS PROBABLY INDICATIVE  
OF WIDER NATIONAL ECONOMIC DIFFICULTIES. WHILE THESE  
DIFFICULTIES WERE AGGRAVATED BY OIL SHOCK AND SUBSEQUENT  
INTERNATIONAL RECESSION, IT IS LIKELY NORTH KOREAN ECONOMIC  
PROBLEMS ARE NOT SHORT-TERM BUT STRUCTURAL IN NATURE AND  
ATTRIBUTABLE TO LACK OF LONG TERM CAPITAL FUNDS FROM  
SOVIET UNION, CHINA OR OTHER FOREIGN SOURCES.

- KIM IL SUNG IS APPARENTLY ATTEMPTING TO LEGITIMIZE  
"KIM DYNASTY" THROUGH DESIGNATION OF SON KIM CHONG IL  
AS HIS SUCCESSOR. ALTHOUGH SOME EXPERTS BELIEVE SERIOUS  
INTERNAL CONFLICTS OVER SUCCESSION AND ECONOMIC POLICIES  
ARE NOW TAKING PLACE, GIVEN KIM IL SUNG'S ABSOLUTE AUTHORITY,  
PRESENT POLITICAL SITUATION IS PROBABLY STABLE FOR TIME BEING.

3. KIM IL SUNG'S PERCEPTIONS OF PRESENT SITUATION

A. AGAIN RECOGNIZING ACUTE LACK OF AVAILABLE INFORMATION,  
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IT IS PROBABLE THAT KIM IL SUNG BELIEVES "FLOW OF TIME IS  
IN NORTH KOREA'S FAVOR."

- DPRK HAS GAINED CONSIDERABLE DIPLOMATIC SUPPORT WITHIN  
THIRD WORLD AGAINST COMMON ENEMY OF "AMERICAN IMPERIALISM."

- SEVERE JAPANESE DOMESTIC CRITICISM OF PARK REGIME COUPLED  
WITH IMPROVEMENT IN RELATIONS BETWEEN GOJ AND DPRK SINCE 1972  
MAY HAVE SUGGESTED TO KIM THAT JAPAN IS SLIPPING AWAY FROM ROK  
TOWARDS DPRK.

- DESPITE SIMILAR INCREASE OF CRITICISM OF PARK WITHIN US,  
IT IS UNLIKELY KIM BELIEVES US WILL SOON CUT ITS SUPPORT FOR  
ROK, BUT RATHER HOPES INCREASINGLY ALIENATED JAPAN CAN BE USED  
AS "WEDGE" BETWEEN US AND ROK.

- THOUGH KIM PROBABLY RECOGNIZES CONSIDERABLE STRENGTH OF PARK

REGIME, IT IS POSSIBLE HE MAY OVERESTIMATE ACTUAL POTENTIAL OF ANTI-PARK OPPOSITION WITHIN SOUTH.

B. WHILE IT IS LIKELY KIM IL SUNG IS SERIOUSLY CONCERNED OVER PRESENT ECONOMIC DIFFICULTIES, HE PROBABLY BELIEVES THESE ARE SHORT-TERM PROBLEMS WHICH CAN SOMEHOW BE RIDDEN OUT THROUGH VIGOROUS APPLICATION OF CHUCHE SELF RELIANCE AND FURTHER, THAT POLITICAL SUCCESS IN SEPARATING JAPAN AND EVENTUALLY US FROM ROK WILL INEVITABLY CAUSE ROK ECONOMY TO SLOW DOWN.

#### 4. LIKELY POLICY DIRECTIONS FOR NORTH KOREA

FOLLOWING IS BASED ON PREMISE THAT RELATIONS BETWEEN US, USSR, PRC AND JAPAN IN REGARDS KOREAN PENINSULA WILL NOT UNDERGO BASIC CHANGES IN NEXT FIVE YEARS.

##### A. SHORT RANGE OUTLOOK

GIVEN NORTH KOREA'S ULTIMATE GOAL OF COMMUNIST UNIFICATION OF PENINSULA AND UNLIKLIHOOD OF SUCH UNIFICATION THROUGH PEACEFUL MEANS, DANGER OF MAJOR ARMED CONFLICT CONSTANTLY EXISTS. FURTHERMORE, NORTH KOREA HAS CAPABILITY FOR SHORT CONFLICT WITH IMMEDIATE POLITICAL GOAL (CAPTURE OF SEOUL) AND FACES TEMPTATION TO DIVERT ATTENTION FROM DOMESTIC ECONOMIC PROBLEMS THROUGH EXTERNAL AGGRESSION. NEVERTHELESS, NORTH KOREA WILL PROBABLY REFRAIN FOR TIME BEING FROM MAJOR AGGRESSION AND MAINTAIN PRESENT POLICY LINE (WHICH STILL ALLOWS FOR SMALL SCALE CLASHES) FOR FOLLOWING REASONS.

- BELIEF THAT TIME FAVORS NORTH KOREA BASED ON CONSIDERATIONS OUTLINED IN SECTION THREE.
  - RECOGNITION WAR WOULD LIKELY DEVASTATE NORTH KOREA, DESTROYING ALL DEVELOPMENT MADE SINCE KOREAN WAR.
- CONFIDENTIAL

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- DESIRE OF BOTH PRC AND USSR TO AVOID MAJOR UPHEAVAL ON PENINSULA AND THEIR CONTROL, BOTH DIRECT AND INDIRECT, OF ANY MAJOR AGGRESSIVE ACTION.

##### B. MEDIUM RANGE OUTLOOK

IT IS LIKELY THAT NORTH KOREA WILL EVENTUALLY (PERHAPS WITHIN THREE TO FIVE YEARS) RECOGNIZE THAT ITS PRESENT PERCEPTION THAT TIME FAVORS NORTH KOREA IS "WITHOUT SUBSTANCE."

- EVEN THOUGH INCREASED THIRD WORLD SUPPORT MAY EVENTUALLY LEAD TO DPRK "VICTORY" OVER ROK AT UNGA, REALISTICALLY THIS WILL MEAN NOTHING IN MILITARY OR ECONOMIC TERMS - "A PICTURE WITHOUT SUBSTANCE."

- WHILE HUMAN RIGHTS CRITICISM OF PARK REGIME WILL CAUSE DIFFICULTIES, IT IS "INCONCEIVABLE" THERE WILL BE BASIC CHANGES IN EITHER US OR GOJ POLICIES TOWARDS THE TWO KOREAS.

ALTHOUGH UNC MAY BE DISBANDED AND US FORCES MAY BEGIN PHASED WITHDRAWAL, DURING NEXT THREE TO FIVE YEARS SOME US GROUND AND AIR UNITS WILL CONTINUE TO BE STATIONED IN ROK AND MORE IMPORTANTLY, THIS WILL NOT CHANGE US DEFENSE COMMITMENT TO ROK. AT SAME TIME, ROK MILITARY MODERNIZATION AND CONSOLIDATION OF MUNITIONS INDUSTRY IS EXPECTED TO PROGRESS.

- ROK'S HIGH ECONOMIC GROWTH RATE IS LIKELY TO CONTINUE

WHILE DPRK'S ECONOMIC PROBLEMS WILL NOT BE EASILY RESOLVED.  
ECONOMIC GAP BETWEEN TWO KOREAS WILL PROBABLY WIDEN EVEN  
FURTHER.

- BECAUSE OF STRONG ECONOMIC PERFORMANCE, POPULAR SUPPORT FOR  
ROK GOVERNMENT IS LIKELY TO REMAIN FIRM.

C. POSSIBLE POLICY LINES

AT FUTURE POINT WHEN NORTH KOREAN PERCEPTIONS COLLAPSE, IT IS  
LIKELY ECONOMIC CONSIDERATIONS, BECAUSE OF THEIR LINKAGE TO  
MILITARY POTENTIAL, WILL PLAY MAJOR ROLE IN CHOICE OF NEW  
POLICY LINE. FOUR THEORETICALLY POSSIBLE COURSES EXIST.

-ADOPTION OF EXTREME HARD-LINE POLICY, POSSIBLY LEADING  
TO ALL-OUT WAR.

- CONTINUATION OF SELF-RECONSTRUCTION POLICY LINE.

- ABANDONMENT OF "AUTONOMOUS" POLICY AND INCREASED RELIANCE ON  
EITHER USSR OR PRC.

- ADOPTION OF T

CTICALLY "FLEXIBLE" POLICY OF INCREASED CONTACTS  
WITH WEST AND RECOGNITION OF NORTH-SOUTH COEXISTENCE.

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TO SECSTATE WASHDC 2482

INFO AMEMBASSY MOSCOW

AMEMBASSY SEOUL

AMCONSUL HONG KONG

CINCPAC HONOLULU HI

USLO PEKING

C O N F I D E N T I A L SECTION 2 OF 2 TOKYO 14393

CINCPAC FOR POLAD

HARD LINE POLICY - FACED WITH EVER-WIDENING ECONOMIC GAP  
BETWEEN TWO KOREAS, DPRK MAY BE TEMPTED TO CHOOSE HARD LINE  
AS LAST RESORT. HOWEVER, AS LONG AS SOUTH KOREA'S MILITARY  
STRENGTH (ROK FORCES PLUS US FORCES STATIONED IN ROK PLUS

US DEFENSE COMMITMENT) IS MAINTAINED, NORTH KOREA WILL PROBABLY BE DETERRED. IT IS UNLIKELY KIM IL SUNG WILL BE SO IRRATIONAL AS TO RISK DEVASTATION UNLESS ARMED AGGRESSION HOLDS CONSIDERABLE POSSIBILITY OF SUCCESS.

"SELF-RECONSTRUCTION" POLICY - AS IT IS VERY FAILURE OF THIS LINE IN ECONOMIC FIELD WHICH WILL LEAD TO SEARCH FOR NEW POLICY, ITS CONTINUATION WOULD NOT PROVIDE REALISTIC SOLUTION TO DPRK'S PROBLEMS.

TILT TOWARDS PRC OR USSR POLICY - NORTH KOREA'S "AUTONOMOUS" POLICY OF RELATIVE EQUIDISTANCE BETWEEN SOVIETS AND CHINESE WAS ACHIEVED ONLY AFTER BITTER EXPERIENCE. PRC WOULD BE UNABLE TO OFFER SOPHISTICATED MILITARY NOR SIGNIFICANT ECONOMIC ASSISTANCE AND ITS POLITICAL SITUATION IS LIKELY TO CONFIDENTIAL

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REMAIN UNSETTLED. USSR CAN OFFER GREATER ASSISTANCE BUT THIS MAY RESULT IN INCORPORATION OF NORTH KOREA INTO COMECON STRUCTURE. IT IS LIKELY NORTH KOREA, WHILE SEEKING AS MUCH ASSISTANCE AS POSSIBLE FROM BOTH, WILL CONTINUE "AUTONOMOUS" POLICY.

"FLEXIBLE" POLICY - IMPROVEMENT OF CONTACTS WITH WEST AND RECOGNITION OF NORTH-SOUTH COEXISTENCE WOULD REPRESENT MAJOR POLICY SHIFT. SUCH A REVERSAL IS POSSIBLE BECAUSE OF AUTHORITARIAN NATURE OF REGIME AND MIGHT BE PUT FORWARD GRADUALLY WHILE CONTINUING TO MAINTAIN PRESENT, HARDER LINE. IN EVENT NORTH KOREA IS LEFT WITH NO OTHER OPTION BUT SOLDIFICATION OF PRESENT SITUATION, IN WHICH IT CANNOT NARROW ECONOMIC GAP AND CONSEQUENTLY ALSO FACES EVENTUAL MILITARY INFERIORITY, NORTH KOREA MAY POSSIBLY CHOOSE THIS MORE FLEXIBLE TACTICAL POSTURE, EVEN WHILE MAINTAINING ULTIMATE GOAL OF COMMUNIST UNIFICATION OF PENINSULA. END PRECIS.

5. COMMENT: IT IS IMPORTANT TO PLACE ENDO'S PAPER WITHIN CONTEXT OF JAPANESE BUREAUCRATIC PROCEDURE. IT IS COMMON FOR INFORMAL DRAFTS DEVELOPED AT WORKING LEVEL TO BE PASSED AROUND IN EVER-WIDENING CIRCLES, CONSTANTLY BEING MASSAGED AND RE-WORKED, SO THAT FINAL PRODUCT EVENTUALLY REACHES HIGHEST LEVEL WITH ORGANIZATION'S FULL CONSENSUS BEHIND IT ("RINGISHO"--LITERALLY "DECISIONS IN A CIRCLE BY DOCUMENT"). ALTHOUGH ENDO'S PAPER HAS NOT YET RECEIVED FULL ENDORSEMENT THROUGHOUT FONOFF, IT WAS WRITTEN AT EQUIVALENT OF COUNTRY DIRECTOR LEVEL BY FONOFF'S KEY OFFICER IN REGARDS KOREAN AFFAIRS.

6. ENDO'S ANALYSIS IS OF INTEREST IN WHAT IT REVEALS OF THINKING OF AT LEAST ONE INFLUENTIAL SECTION OF FONOFF. OF PARTICULAR NOTE ARE (A) ASSERTION THAT BASIC CHANGE IN EITHER USG OR GOJ POLICY TOWARDS KOREA IS "INCONCEIVABLE;" (B) TACIT ADMISSION THAT PAST

MOVES BY GOJ TOWARDS PYONGYANG MAY HAVE SERIOUSLY MISLED NORTH KOREANS INTO UNWARRANTED OPTIMISM; (C) CENTRAL PREMISE THAT BASIC ECONOMIC STRUCTURES OF ROK AND DPRK, AS OPPOSED TO THEIR RELATIVE MILITARY ORDERS OF BATTLE, WILL BE DECIDING FACTOR; AND FINALLY (D) PREDICTION THAT EVENTS MAY POSSIBLY STEER NORTH KOREANS TOWARD MORE CONFIDENTIAL

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FLEXIBLE POLICY LINE.

7. IN TRUE RINGISHO FASHION, ENDO HAS SOLICITED COMMENTS REGARDING HIS ASSESSMENT. EMBASSY HOPES WE CAN SHARE WITH ENDO ANY DEPARTMENT COMMENTS ON THIS SUBJECT.

8. SINCE THIS CABLE PREPARED, ENDO HAS PROVIDED US WITH HIS ASSESSMENT OF RECENT NORTH KOREAN WITHDRAWAL OF HOSTILE RESOLUTION AT UNGA AND RAISED POSSIBILITY THAT NORTH KOREA MAY HAVE ALREADY DECIDED TO ADOPT MORE TACTICALLY FLEXIBLE POSTURE, AS SUGGESTED IN HIS PAPER. DETAILS FOLLOW SEPTTEL.  
END COMMENT.  
HODGSON

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## Message Attributes

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